

11.00.00.00 - PROPERTY MANAGEMENT

11.01.00.00 - GENERAL

11.01.01.00 Responsibility

District Property Management Units manage all property held for future transportation projects, excess properties, and employee housing. For project and excess properties, this includes maintaining an inventory of state-owned properties, inspecting properties for loss prevention, marketing rentable properties, establishing tenancies, collecting rents, arranging property maintenance, and terminating tenancies. For employee housing, this includes obtaining rental agreements and arranging property maintenance.

11.01.02.00 Delegations

All Property Management approvals have been delegated to the regions/districts in accordance with the Statewide Delegation Summary. (See Chapter 2, Statewide Delegation Matrix, Section 2.05.00.00.) Property Management staff have full delegation to operate and approve within the parameters outlined in this chapter and as shown in the delegation matrix. Any activities outside the scope of this manual or the delegation matrix shall be subject to HQ R/W's approval. Approval may be conveyed in writing or electronically. The district shall maintain a copy of the approval in the rental file(s) to which it applies.

11.01.03.00 Property Management Reference File (PMRF)

PMRF memos are used to supplement and clarify the Property Management manual. Memos are numbered "PMRF-96-***" where "***" is the sequential number beginning with "1" each calendar year.

11.01.04.00 No Re-Rent

11.01.04.01 Residential

As a general rule, no vacated residential units shall be rented on projects with current environmental clearances. Vacated improvements on such projects should be cleared immediately. If an environmentally cleared project is in the STIP or SHOPP and has programmed funds for normal right of way, the no re-rent policy is mandatory.

In addition, the district should consider establishing a residential no re-rent policy on other projects if a shortage of replacement housing exists, or may develop, or for other reasons, such as specified action in the Freeway Agreement or official local agency request. The recommendation should contain complete justification, with advantages and drawbacks, and detailed analysis on social and economic consequences. The analysis must recognize that improvements cannot be removed prior to environmental clearance of the project and must consider the effect of boarded vacant improvements upon the neighborhood.

Approval for establishing a no re-rent policy is as follows:

- Environmentally Cleared Projects - No approval is necessary. If the project is also in the STIP or SHOPP and has programmed funds for R/W activities, an exception to establishing a no re-rent policy requires a rental/clearance plan approved by the DD or authorized delegate.
- No Re-Rent Recommended in the R/W Stage RAP Study - Approval of the R/W Stage RAP Study constitutes approval to institute the policy, although separate written approval from the DD is required.
- No Re-Rent Recommendation Submitted Separately from R/W Stage RAP Study - Written approval from the DD is required.

11.01.04.02 Nonresidential

The district may also implement a no re-rent policy for nonresidential property when conditions warrant. The justification and approval required are the same as outlined above.

11.01.05.00 Property Held for Future Purposes

Where improved property is acquired far in advance of scheduled construction and the DD or authorized delegate has approved an exception to the no re-rent policy, the department's policy is:

- Keep the property occupied.
- Maximize rental revenue.
- Minimize adverse effects of right of way clearance on the community.
- Be a good neighbor.
- Demolish the improvements if necessary.

11.01.06.00 **Disbursement of Rental Income to Counties**

S&H Code Section 104.6 requires that 24% of all rents received from real property held for future state highway needs shall be disbursed to the counties where the rental properties are located. Rent from property that is considered excess is not subject to the 24% rule. For property both within the right of way and on excess, 24% of the total rent shall go to the county if more than one-half the income will be lost when the project goes to construction.

11.01.07.00 **Rental of State-Owned Properties to State Employees**

State employees, including employees of Caltrans, are eligible to rent state-owned properties provided their jobs do not involve managing the property, estimating or setting the rental rate, or performing other property management activities.

11.01.08.00 **Use of Bilingual Agents**

Every effort should be made to use bilingual Agents when working in areas where tenants are non-English speaking.

11.01.09.00 **Federal Participation in Revenue and Expenses**

23 CFR Part 710 Subpart D, effective January 20, 2000, states that acquiring agencies shall charge current fair market rent for the use of real property if those real property interests were obtained with Title 23 funding. Exceptions to the general requirement for charging fair market value may be approved if determined to be in the overall public interest for social, environmental, or economic purposes or nonproprietary governmental use.

Written requests for exceptions shall be submitted in advance to FHWA (through HQ R/W) for approval.

The federal share of net income shall be used for activities eligible for funding under Title 23, in which case the state may retain rental and lease revenues without crediting federal accounts. Since rental and lease revenues are deposited into the State Transportation Fund, which is a Special Revenue Fund used primarily for Title 23 projects, Caltrans has met the intent of CFR 710.403(e). Furthermore, Caltrans is not required to track and report the expenditures from these revenues. Revenues should be coded as ineligible for federal reimbursement. (See Exhibit 11-EX-1.)

Under 23 CFR Part 710 Subpart D, property management costs continue to be eligible for federal participation until final project voucher. Caltrans has made a policy decision, however, that it will not seek federal reimbursement for property management costs (i.e. operating expense and support costs). Therefore, expenditures should be coded as ineligible for federal reimbursement.

11.01.10.00 **Other Applicable Federal Regulations**

Policies and procedures for managing real property acquired in connection with a federal-aid transportation project are contained in 23 CFR, Subpart A, Sections 713.101 through 713.103. The policies are applicable to all state and political subdivisions that manage real property acquired for transportation projects in which federal funds are used for any right of way costs.

11.01.11.00 **Title VI, Civil Rights Act**

Title VI of the 1964 Civil Rights Act forbids discrimination against any person in the United States because of race, color, or national origin by any agency receiving federal funds. See Manual Section 2.04.01.00 for additional information.

11.01.12.00 **Right of Way Property System**

Right of Way policy mandates use of the RWPS. See the RWPS Users Manual for additional information.